



First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018
Tel 847 318-7575
Fax 847 318-7588

VIA UPS NEXT DAY AIR

July 12, 2001

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment



Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated May 7, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 23355.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Midwest Railcar Corporation
9876 213th Avenue, N.W.
Elk River, MN 55330

A description of the railroad equipment covered by the enclosed document is forty (40) 52'6", 2743 cubic foot capacity, mill gondola railcars with car numbers NDYX 487-550, non-inclusive.

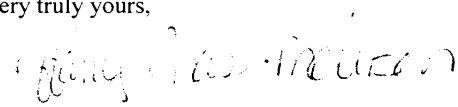
A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Midwest Railcar Corporation, Lessee, covering 40 52'6", 2743 cubic foot capacity, mill gondola railcars with car numbers NDYX 487-550, non-inclusive.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(MIRA002)

RECORDATION NO. 23355-A FILED

JUL 17 '01 4-14 PM
TS
SURFACE TRANSPORTATION BOARD

ASSGN. NO.: MIRA002

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 7th day of May, 2001, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Midwest Railcar Corporation ("Lessee"), an Illinois corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 2, 2000, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 2 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of April 2, 2001, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

By: K.A. Dombrowski

Name: K.A. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION

Executed on this 7th day of May, 2001.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 7th day of May, 2001.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



RECORDATION NO. 23355-A FILED

JUL 17 '01 4:14 PM

SURFACE TRANSPORTATION BOARD

LESSEE:

MIDWEST RAILCAR CORPORATION

ATTEST:

By: [Signature]

Name: Richard M. Murphy

Title: President & CEO

By: _____

Name: _____

Title: _____

Executed on this 30 day of Apr. 1, 2001.

[CORPORATE SEAL]

STATE OF Illinois

COUNTY OF Madison

I, David W. Gansner, a Notary Public of the County and State aforesaid, certify that Richard M. Murphy personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of Apr. 1, 2001.

[Signature]
Notary Public

Commission Expires:

4-30-01
(Notary Public)

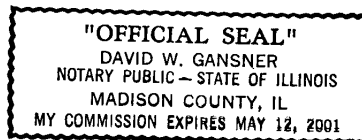


EXHIBIT A
To
MEMORANDUM OF LEASE

NUMBER OF CARS: Forty (40)

DESCRIPTION OF CARS: Mill Gondolas – 52'6", 2743 cfc, 100-ton nominal capacity and 286,000 GWR

CAR NUMBERS: See below:

NDYX 487	NDYX 521
NDYX 491	NDYX 522
NDYX 492	NDYX 524
NDYX 493	NDYX 525
NDYX 494	NDYX 526
NDYX 495	NDYX 528
NDYX 498	NDYX 529
NDYX 499	NDYX 531
NDYX 500	NDYX 532
NDYX 501	NDYX 533
NDYX 502	NDYX 534
NDYX 504	NDYX 535
NDYX 506	NDYX 536
NDYX 507	NDYX 539
NDYX 508	NDYX 542
NDYX 509	NDYX 544
NDYX 511	NDYX 547
NDYX 513	NDYX 548
NDYX 519	NDYX 549
NDYX 520	NDYX 550

Count: 40